



**U.S. Department of the Interior
Office of Inspector General**

SURVEY REPORT

**USE OF THE
GOVERNMENTWIDE PURCHASE CARD,
U.S. GEOLOGICAL SURVEY**

**REPORT NO. 98-I-316
MARCH 1998**



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL
Washington, D.C. 20240

MAR 18 1998

MEMORANDUM

TO: The Secretary

FROM: Robert J. Williams *Robert J. Williams*
Acting Inspector General

SUBJECT SUMMARY: Final Survey Report for Your Information - "Use of the
Governmentwide Purchase Card, U.S. Geological Survey"
(No. 98 -I-316)

Attached for your information is a copy of the subject final survey report. The objective of the survey was to determine whether the U.S. Geological Survey managed the Governmentwide Purchase Card Program in accordance with applicable laws, regulations, and guidelines.

We found that the Geological Survey's approving officials either did not certify the cardholders' statements or certified the statements without obtaining vendor invoices or itemized receipts to verify that some items purchased were for valid Government purposes. We also found that cardholders either allowed noncardholders to use their card, did not maintain telephone logbooks, or split orders. In addition, cardholders did not always adequately safeguard their purchase cards. The deficiencies occurred because (1) approving officials did not perform all of the required review procedures; (2) the Office of Acquisition and Federal Assistance did not perform periodic reviews of the Purchase Card Program; and (3) the Geological Survey did not provide adequate training to cardholders and approving officials in the areas of acquiring, documenting, and reviewing purchases. As a result, the Geological Survey did not have reasonable assurance that improper uses of the purchase cards would be prevented or detected in a timely manner.

Based on the Geological Survey's response to the draft report, we considered four of the report's five recommendations resolved and implemented and requested the Geological Survey to reconsider its response to the remaining recommendation, which is unresolved.

If you have any questions concerning this matter, please contact me at (202) 208-5745.

Attachment



United States Department of the Interior
OFFICE OF INSPECTOR GENERAL
Washington, D.C. 20240

MAR 18 1998

SURVEY REPORT

Memorandum

To: Director, U.S. Geological Survey

From: Robert J. Williams *Robert J. Williams*
Acting Inspector General

Subject: Survey Report on the Use of the Governmentwide Purchase Card,
U.S. Geological Survey (No. 98-I-316)

INTRODUCTION

This report presents the results of our survey on the use of the Governmentwide purchase card at the U.S. Geological Survey in Reston, Virginia. The original objective of the review was to determine whether the Geological Survey managed the Governmentwide Purchase Card Program in an efficient and economical manner and in accordance with applicable laws, regulations, and guidelines. However, during our survey, the General Accounting Office issued the report entitled "Acquisition Reform: Purchase Card Use Cuts Procurement Costs, Improves Efficiency" (No. GAO/NSIAD-96-138) on August 6, 1996. The report stated: "Agencies have found they can support their missions at reduced costs by having program staff use the purchase card for simple purchases. Further, agency studies have shown that purchase card use reduces labor and payment processing costs." Based on these statements, we revised our objective to address the management of the Geological Survey's Program rather than the Program's efficiency and economy.

BACKGROUND

In 1989, the General Services Administration awarded a contract to Rocky Mountain BankCard System to provide credit card services within the Federal Government. The card was intended to streamline the small purchase and payment processes. The BankCard System issued instructions on the proper use and approval of items purchased with the credit cards as follows: (1) Cardholder Instructions for the Use of the Governmentwide Credit Card and (2) Approving Official Instructions for the Use of the Governmentwide Credit Card. In April 1990, the Geological Survey implemented the

Governmentwide Purchase Card Program. On June 28, 1990, the Department of the Interior issued the "Handbook for Utilization of the Governmentwide Commercial Credit Card," under Department of the Interior Acquisition Policy Release 90-35. In December 1994, the Geological Survey issued its guidance in the revised "Supplemental Bankcard Handbook," which augmented the cardholder instructions issued by the Bankcard System and by the Department of the Interior.

At the Geological Survey, the purchase cards are used primarily for the acquisition of supplies and services costing \$2,500 or less. The Geological Survey's Office of Acquisition and Federal Assistance is responsible for administering and managing the Governmentwide Purchase Card Program.

On a monthly basis, the BankCard System submits invoices to the Geological Survey's Office of Financial Management, in Reston. The monthly invoices represent the aggregate credit card amounts for each Geological Survey division. In addition, the BankCard System submits to each cardholder a monthly statement that itemizes the cardholder's transactions. Upon receipt of the monthly cardholder statement, the cardholder is required to reconcile the statement with the transaction documentation and certify that all purchases listed on the statement are accurate and were made for official Government purposes. The cardholder is required to forward the certified statement and all supporting documentation to the cognizant approving official. The approving official is required to review the cardholder's statement and supporting documentation and to certify that the cardholder's purchases were made for valid Government purposes. The BankCard System also submits to each approving official a statement that lists monthly purchase amounts made by all cardholders assigned to the approving official.

The use of the purchase card within the Geological Survey has increased significantly since the first year the Program was started in 1990 and has continued to increase to approximately 3,000 purchase cards nationwide as of September 30, 1996, as shown in the following table:

	1990	1994	1995	1996
Purchase Cards	100	1,200	2,100	3,000
Purchase Transactions	900	29,000	57,000	84,000
Purchase Amount	\$129,000	\$3,660,000	\$11,130,000	\$21,200,000

SCOPE OF SURVEY

Our survey included purchases made with the Government purchase card by Geological Survey employees in Reston during the 5-month period of October 1, 1995, through February 28, 1996. We judgmentally selected 462 purchases, totaling \$313,244, made by 32 cardholders and reviewed by 11 approving officials. These cardholders and approving officials were selected based on the highest dollar value transactions for the period reviewed.

Our survey was made in accordance with the "Government Auditing Standards," issued by the Comptroller General of the United States. Accordingly, we included such tests of records and other auditing procedures that were considered necessary under the circumstances. In planning our survey, we reviewed the Secretary's Annual Statement and Report to the President and the Congress, which is required by the Federal Managers' Financial Integrity Act, for fiscal year 1995 and determined that there were no reported weaknesses related to the objective and scope of our survey.

We also evaluated the Geological Survey's system of internal controls related to purchase card activities and found weaknesses in the areas of approving officials' reviews, card security, card usage, purchase limits, and telephone order logbooks. We also determined that the Geological Survey did not provide adequate oversight of purchases made with the card. These weaknesses and the recommended corrective actions are discussed in the Results of Survey section of this report. The recommendations, if implemented, should improve the internal controls in these areas.

PRIOR AUDIT COVERAGE

Neither the Office of Inspector General nor the General Accounting Office has issued any reports during the past 5 years concerning the Geological Survey's management of the Governmentwide purchase card that specifically addressed our revised survey objective. However, as discussed previously, the General Accounting Office's August 6, 1996, report stated that agency studies revealed that use of the purchase card reduced labor and payment processing costs. Although the Department of the Interior was included in the study, no findings were directly related to the Department.

RESULTS OF SURVEY

We found that for 138 (\$98,879) of the 462 (\$313,244) transactions reviewed, the Geological Survey's approving officials either did not certify the cardholders' statements or certified the statements without obtaining vendor invoices or itemized receipts to verify that the items purchased were for valid Government purposes. We also found that for 193 transactions, totaling \$193,036, cardholders either allowed noncardholders to use their card, did not maintain telephone logbooks, or split orders. In addition, we found that 7 of the 32 cardholders reviewed did not adequately safeguard their purchase cards. The instructions and procedures for the use of the Governmentwide purchase card are included in the Bankcard System's Cardholder Instructions and Approving Officials Instructions, the Department's "Handbook," and the Geological Survey's "Handbook." The deficiencies occurred because (1) approving officials did not perform all of the required review procedures; (2) the Office of Acquisition and Federal Assistance did not perform periodic reviews of the Purchase Card Program; and (3) the Geological Survey did not provide adequate training to

cardholders and approving officials in the areas of acquiring, documenting, and reviewing purchases. As a result, the Geological Survey did not have reasonable assurance that improper uses of the purchase cards would be prevented or detected in a timely manner.

Approving Officials' Review

Section IV of the Department's "Handbook" states that the approving officials are responsible for (1) maintaining a current listing of all cardholders under their purview, (2) reviewing cardholders' transactions and performing a monthly reconciliation and certification of each cardholder's statement against the monthly statement submitted to the approving officials by the Bankcard System, (3) verifying that all transactions were made for valid Government purchases, and (4) ensuring that all goods and/or services have been received. After certifying that the cardholders' statements are accurate, the approving official is to forward the original statements to the finance office. In order to adequately verify that the purchases made by the Geological Survey's cardholders are valid and for official Government purposes, approving officials need to (1) review the approving officials' statements to ensure that all cardholders submitted their statements; (2) review all of the documentation, such as invoices or itemized receipts, required by the Department's "Handbook" and by the Geological Survey's "Handbook"; and (3) ensure that a description of the items purchased is annotated on the statement by the cardholder and that the statement is in agreement with the description on the invoice or the itemized receipt.

We found that for 138 (30 percent) of the 462 transactions we reviewed, all of the 11 approving officials either did not certify the cardholders' statements or certified the cardholders' statements without documents such as vendor invoices or itemized receipts to verify that the purchases were valid and for official Government use. In addition, 6 of the 11 approving officials did not reconcile the cardholders' statements to the corresponding approving officials' statements to ensure that all cardholders who made purchases submitted their statements. Examples of the lack of certification and/or documentation and the lack of the approving officials' reconciliation efforts are as follows:

- A cardholder's statement containing 10 transactions, valued at \$3,218, was paid, even though the approving official in the Geologic Division had not certified that the purchases were valid and necessary. According to the description provided by the cardholder on the statement, these purchases consisted of items such as computer memory, plotter supplies, and software. The approving official stated that she did not sign this particular statement because the cardholder never provided the statement to her for review and that without this statement, there was no way of knowing that the cardholder had used the purchase card. However, this discrepancy would have been identified if the approving official had reviewed and reconciled the cardholder's statement to the approving official's statement.

- An approving official in the Geologic Division approved 21 transactions, valued at \$19,044, even though the cardholders did not provide vendor invoices or itemized receipts

in support of the purchases. In addition, the cardholders had not provided a detailed description for \$17,018 of the \$19,044 in transactions, as required by the Geological Survey's "Handbook." According to the descriptions provided by the cardholders for the remaining purchases of \$2,026, items such as computer disks, laboratory supplies, and software were purchased. The approving official stated that he instructed his secretary to review the transactions and that, based on her review, he signed the cardholders' statements. The secretary, however, did not compare the cardholders' statements with the invoices and receipts supporting the statements. In addition, the approving official told us that he did not reconcile the approving official's statement with cardholders' statements because the approving official's statement was "redundant" and "did not really serve any purpose."

- A Geologic Division approving official who approved 13 transactions, valued at \$8,665, that did not have supporting invoices and receipts had delegated the review of cardholder statements to her Administrative Operations Assistant. According to the description provided by the cardholder on the statements, the items purchased included laptop computers, a modem, and various software. The approving official signed the statements based on the Assistant's review. The approving official told us that she did not compare the approving official's statement with the cardholders' statements because by the time she received the approving official's statement, the cardholders' statements had already been reviewed and sent to the finance office.

- A Water Resources Division employee who was not an approving official certified a statement for purchases totaling \$1,067. Although the Geological Survey "Handbook" allows a "responsible employee" to certify the cardholders' statements when the approving officials are not available, the Division employee stated that he had not received any purchase card training and was unaware of the certification requirements. The employee also acknowledged signing cardholders' statements on more than one occasion. In addition, the approving official informed us that he did not reconcile the approving official's statement with the cardholders' statements.

By not reviewing itemized receipts and invoices and by not reconciling the approving official's statement with the cardholders' statements, inappropriate purchases could be made and not be detected. For example, although the Geological Survey's Doraville, Georgia, office was not included in our review, an August 1996 investigation conducted by the Assistant Inspector General for Investigations found that a cardholder in the Doraville office used the Government purchase card for personal use and was subsequently criminally prosecuted and found guilty. The items purchased over a 9-month period totaled \$25,633 and included food, clothing, gasoline, toys, cellular telephone service, videos, and computer games. Whenever the approving official asked the cardholder whether the purchase card was used, the cardholder stated that it had not been used. However, if the approving official's statement had been reviewed and reconciled as required, the approving official would have known in the first month of the card's use that the card had been used for personal items.

Other Deficiencies

Geological Survey cardholders did not follow purchase card procedures for 193 purchases, totaling \$193,036. Specifically, we found that (1) individuals who were not authorized cardholders made five purchases, (2) the purchase card limit was exceeded on 39 purchases, and (3) cardholders did not always maintain a written logbook for 149 purchases made by telephone. As a result, the potential existed for items to be purchased that were not for valid Government purposes.

Unauthorized Use. The Department's "Handbook" (Section X) and the Geological Survey's "Handbook" (Section 4A(1)) require that the purchase card be used only by the cardholder. However, we found that for five purchases, totaling \$9,560, the sales receipts were signed by three individuals who were not the authorized cardholders. The Chief, Branch of Facilities Management, said that in those instances, receipts were signed in the absence of the cardholder and with the knowledge that the cardholder had previously authorized and placed the call for the purchases. The Chief further stated that he would establish guidelines which stated that the only signature acceptable was that of the authorized cardholder. In our opinion, employees who are not cardholders but who receive delivery of purchases ordered by telephone should be instructed to print the words "phone order" on the sales draft and sign their name and "received by" next to their signature. The receipt should then be provided to the cardholder for use in reconciling the monthly statement.

Split Purchases. The Department's "Handbook" (Section VII) and the Geological Survey "Handbook" (Section 4(6)) state that purchases should not be split to avoid the single purchase limit. The single purchase limit established by the Geological Survey was \$2,500. However, we found that the cardholders split 16 orders for similar items from the same vendors into 39 orders, totaling \$65,268. The total amount paid to each of the vendors for the items exceeded the single purchase limit of \$2,500. For example, an employee in the Information Systems Division requested that a cardholder purchase computer equipment. On September 22, 1995, the cardholder placed two separate orders with the same vendor for the equipment in the amounts of \$2,424 and \$290, respectively. For another purchase, a cardholder made separate purchases for two computers of \$2,152 each from the same vendor. The requests for the purchase of these two computers were received on the same day; however, the cardholder placed the order with the vendor on two separate days.

Telephone Order Logbooks. The Department's "Handbook" (Attachment C) and the Geological Survey's "Handbook" (Section 4A(5)) require that purchase card users maintain a logbook of all transactions made by telephone. Each purchase card transaction is to be entered in the logbook at the time the order is placed. The logbook is maintained so that individual and cumulative costs of orders can be tracked to ensure that the delegated monthly limit is not exceeded. The monthly limit is the amount each cardholder may spend in a 30-day period and is established by the approving official based on anticipated usage and budgetary considerations. The monthly limit for the cardholders reviewed ranged from

\$5,000 to \$25,000. We found that cardholders did not maintain a logbook for 149 telephone purchases, valued at \$121,126. We concluded that because cardholders did not follow purchase card procedures, there was an increased risk that the card could be used for personal use and that purchase limits could be exceeded.

Card Security

The Department's "Handbook" (Section X) states that purchase cards should be safeguarded in the same manner as cash. The Geological Survey's "Handbook" states that protecting the card from loss or theft is the responsibility of the cardholder. The Geological Survey's "Handbook" further states that the card should be kept in a safe place.

We found that 7 of 32 cardholders in our sample were not properly safeguarding their purchase cards in that they kept their cards in unlocked desk or file cabinet drawers. In addition, one cardholder posted the purchase card number on a bulletin board outside his work station. The lack of security over purchase cards increases the potential for cards to be lost, stolen, or used for inappropriate purposes.

Oversight Reviews

In accordance with the Geological Survey Manual, the Office of Acquisition and Federal Assistance and the Office's regional branches conduct reviews of purchase card transactions as part of the Office's small purchase reviews of regions and makes recommendations to the field offices regarding any deficiencies identified. The Eastern Region has 39 field offices. According to the Geological Survey Manual, reviews are to be conducted every 4 years. However, the Reston office has never been reviewed. Our examination of reviews that had been performed at eight field offices in the Eastern Region indicated that purchase card transactions were included in the reviews and that deficiencies such as the purchase of personal items, unauthorized purchases, split purchases, and the absence of a logbook were identified in the Purchase Card Program. Recommendations were made by the review team to address the deficiencies identified. Since the procedures used by the team for reviewing purchases were not documented, we could not determine whether the review team verified that approving officials were performing all of the required review procedures. Therefore, we were unable to determine whether the reviews were complete.

In conclusion, the Geological Survey was not adequately performing its oversight responsibilities of the Purchase Card Program. By not including the Reston office in its scheduled reviews and by not documenting the review procedures used, the Geological Survey was not ensuring that all cardholders and approving officials were complying with Departmental and Geological Survey requirements when using the purchase card. As a result, the Geological Survey could not ensure that all items purchased were for valid Government purposes.

Training

The Department's "Handbook" (Section VI) states: "All approving officials and cardholders must receive training on the use of the Governmentwide credit card program, its features, bureau procedures, and, as appropriate, small purchase procedures, upon or immediately following designation. In all cases, appropriate training must be received prior to cardholder receipt of the credit card."

The Geological Survey had not provided formal training to any of the cardholders or approving officials during the period of our review. However, Geological Survey personnel responsible for managing the Purchase Card Program stated that, in lieu of formal training courses, they relied on signed certifications from the cardholders stating that the cardholders had read the Geological Survey's "Handbook" and that they understood the requirements for the proper use of the purchase card. However, based on the deficiencies that we found, we believe that this method of training was not completely effective.

In February 1995, the Geological Survey developed a formal training course and presented it at two pilot sessions. In February 1996, the course, for which attendance was voluntary, was revised and presented at the Reston location, where it was attended by 2 of the 11 approving officials and 8 of the 32 cardholders included in our review. Since there were no outlines of the course contents or evaluations of the courses, we were unable to determine whether the training was adequate. Also, we believe that the training should be mandatory for all cardholders and approving officials.

Recommendations

We recommend that the Director, U.S. Geological Survey:

1. Ensure that approving officials follow the review procedures established by the Department and the Geological Survey when certifying cardholders' statements.
2. Ensure that cardholders comply with the purchase card policies and procedures concerning unauthorized purchases, split purchases, and telephone orders.
3. Ensure that purchase cards are adequately safeguarded.
4. Ensure that written procedures are developed for documenting the review of purchase card transactions and that the Geological Survey's Reston office is included in the schedule for these reviews.
5. Ensure that cardholders and approving officials receive adequate training in the proper use of the purchase card.

U.S. Geological Survey Response and Office of Inspector General Reply

In the January 8, 1998, response (Appendix 1) to our draft report from the Associate Director for Operations, the Geological Survey generally agreed with the finding and recommendations and provided suggested changes to the report, which we incorporated as appropriate. Based on the response, we consider Recommendations 1, 2, 4, and 5 resolved and implemented and request that the Geological Survey reconsider its response to Recommendation 3, which is unresolved (see Appendix 2).

Regarding Recommendation 3, the Geological Survey's "Handbook" instructs cardholders to keep their purchase cards in a safe place and not to allow others to use their cards. However, as stated in our report, we found that this requirement, which was in effect during our review, was not always complied with. Therefore, the Geological Survey should state what actions it is taking to ensure that cardholders are safeguarding their purchase cards and the purchase card account numbers. Specifically, we suggest that the Geological Survey issue a notice to all cardholders which states that purchase cards should not be kept in unlocked desks or file cabinets and that the purchase card account number should not be posted for public viewing. In addition, the safeguarding of purchase cards should be included in the Geological Survey's review of the purchase card program.

In accordance with the Departmental Manual (360 DM 5.3), we are requesting a written response to this report by April 15, 1998. The response should provide the information requested in Appendix 2.

The legislation, as amended, creating the Office of Inspector General requires semiannual reporting to the Congress on all audit reports issued, the monetary impact of audit findings, actions taken to implement audit recommendations, and identification of each significant recommendation on which corrective action has not been taken.

We appreciate the assistance of Geological Survey personnel in the conduct of our survey.



United States Department of the Interior

U.S. GEOLOGICAL SURVEY
Office of the Director
Reston, Virginia 20192

In Reply Refer To:

Mail Stop 105
#10427

JAN 08 1998

MEMORANDUM

To: Assistant Inspector General for Audits

From: Barbara J. Ryan *Barbara J. Ryan*
Associate Director for Operations

Subject: Draft Survey Report on the Use of the Governmentwide Purchase Card,
U.S. Geological Survey (Assignment No. E-IN-GSV-017-96)

This memorandum is in response to your November 25, 1997, draft audit report on the Use of the Governmentwide Purchase Card. Although we were provided the opportunity to comment on the Preliminary Draft, we have a few additional comments that were inadvertently missed.

Page 10 (last paragraph): The investigation referred to was conducted in Doraville, Georgia, not Atlanta. We would also suggest that the Inspector General indicate that criminal prosecution of the employee ensued.

Page 14 (section entitled "Oversight Reviews," paragraph one, sixth line): Change reference to field reviews occurring "every 2 to 3 years" to "every 4 years." Survey Manual Chapter 401.2.6.A.(1)(a) states, "Offices responsible for conducting Acquisition Management Review (AMR's) will ensure field offices under their cognizance are reviewed at least once every 4 years."

Any questions or comments concerning this issue may be addressed to Marty Eckes, Chief, Program Operations Office, on (703) 648-4430. Our responses to your recommendations are as follows:

Recommendation 1: Ensure that approving officials follow the review procedures established by the Department of the Interior (DOI), and the U.S. Geological Survey (USGS), when certifying cardholder's statements.

Response: Since the period covered by this review, the USGS Office of Acquisition and Federal Assistance (OAFA) has emphasized, through memoranda and in training sessions, the importance of the approving official's review and that this review is the primary safeguard against waste, fraud, and other misuse by cardholders. A memorandum dated March 27, 1997, was issued by OAFA reminding approving officials of their responsibility as a review official and of other rules governing card use. An e-mail message to all employees was sent on September 27, 1996, describing bankcard program problems and offered suggested methods of prevention, and again emphasized the importance of increased monitoring for management control. In addition to the above efforts to educate approving officials and emphasize their responsibilities, all records and transaction documentation are now subject to review via an AMR or a statistical sampling program.

Recommendation 2: Ensure that cardholders comply with the purchase card policies and procedures concerning unauthorized purchase, split purchases, and telephone orders.

Response: In addition to our AMR program for reviewing the practices at field offices, the USGS has implemented two additional bureauwide review and oversight processes. In September 1996, the USGS Office of Financial Management (OFM) began a statistical sampling program for all transactions in the Federal Financial System. Procedures for this review were set forth in an instructional memorandum. All cardholder statements, with supporting receipts and documentation, are subject to this review. This review includes an examination of all individual cardholder statements with monthly purchases of \$10,000 or more, and the examination of randomly selected samples of cardholder statements below that threshold. This review follows a checklist to ensure that cardholders are not in violation of items including, but not limited to: use of the card for travel expenses, rental of land or buildings, telephone services, or cash advances; or that individual purchases were not split to avoid the \$2,500 single purchase limit. Findings from the reviews are then communicated to division administrative officers for further action, as appropriate.

OAFA also conducts periodic reviews of transactions using the Cardholder Activity Report provided by the bank. This report is reviewed and transactions are manually selected based primarily on the dollar value, vendor used, and possible split requirements. To date, these reviews have revealed minimal problems with compliance, and where appropriate, further action was taken to remedy deficiencies.

Recommendation 3: Ensure that purchase cards are adequately safeguarded.

Response: The USGS Handbook instructs cardholders to protect the International Merchant Purchase Authorization Card (IMPAC) as they would their driver's license; to keep the card in a safe place, and not allow others to use their card. It also cautions users to keep the IMPAC card separate from their personal credit cards to avoid accidental misuse. To date, we have experienced very few instances of lost or stolen cards and believe these safeguards contribute to these results.

Recommendation 4: Ensure that written procedures are developed for documenting the review of purchase card transactions and that the USGS Reston office is included in the schedule for these reviews.

Response: The USGS has developed written instructions for the use, documentation, and oversight of the purchase card program. For example, Survey Manual chapter 403.7 entitled "Commercial Purchase Cards" contains bureauwide policy for management of the commercial purchase card program. The USGS Handbook outlines statement reconciliation responsibilities and documentation procedures. Cardholders are also warned that these records are subject to review at any time. Survey Manual Chapter 401.2 contains information on the Acquisition Management Review program, which includes the review of cardholder activity. Additional review programs implemented by the USGS are described in our response to Recommendation 2. The AMR program covers acquisition activities in field offices, which make purchases under a delegated procurement authority. The statistical sampling reviews and the cardholder activity report reviews cover all USGS cardholders, including those in Reston.

Recommendation 5: Ensure that cardholders and approving officials receive adequate training in the proper use of the purchase card.

Response: The USGS developed a formal training regimen as of February 1995. Since that time, OAFA has conducted numerous formal training sessions for cardholders and approving officials nationwide. There are additional classes scheduled for fiscal year 1998, at least one at each of the regional field offices. OAFA is also evaluating the development of an interactive training application that could be adapted throughout all USGS field locations in an effort to reach and train cardholders and approving officials in the more remote field offices.

In addition to the formal training program, training sessions are conducted by special request at field office sites. Also, during scheduled AMR field reviews, the reviewing official often arranges to conduct training for the cardholders at that location.

In an effort to enhance communication to cardholders and keep them apprised of program changes, OAFA has established an Intranet site for bankcard information. The Survey Manual chapter, the USGS Bankcard Handbook, frequently asked questions, reminders to cardholders, relevant memoranda or e-mail messages, and a variety of other useful information are maintained at this site. The Intranet site and the use of all employee e-mail messages are seen as an efficient method for making information available and notifying program participants of changes in the USGS Handbook instructions, restrictions, and other areas of concern.

APPENDIX 2

STATUS OF SURVEY REPORT RECOMMENDATIONS

Finding/Recommendation Reference	Status	Action Required
1, 2, 4, and 5	Implemented.	No further action is required.
3	Unresolved.	Reconsider the response to indicate how assurance is provided that cardholders are safeguarding their purchase cards. Also, provide an action plan that includes target dates and titles of officials responsible for implementation.

**ILLEGAL OR WASTEFUL ACTIVITIES
SHOULD BE REPORTED TO
THE OFFICE OF INSPECTOR GENERAL BY:**

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